



August 8, 2006

SUBJECT: Update of the City's Environmental Procurement Plan to Conform with Senate Bill 1106 (SB 1106)**REPORT IN BRIEF**

Senate Bill 1106 (SB 1106) was signed into law during 2005 and will take force in January 2007. The bill requires state agencies and local governments to meet detailed requirements that pertain to purchasing recycled products. Sunnyvale already has an Environmental Procurement Policy (EPP) in place which addresses most of the requirements. The EPP is listed as policy 7.1.3 (Environmental Procurement) in the Fiscal section of the Council Policy Manual. However, a staff review of SB 1106 found that minor updates to the City's EPP are needed in order to be in full compliance with SB 1106. Staff is recommending that the Council approve this update to the EPP. Staff will initiate related changes to City purchasing and printing forms in order to comply with Senate Bill (SB) 1106.

BACKGROUND

In 2005, the California legislature approved SB 1106 (Attachment A). Chapter 3.5 of the bill pertains specifically to local governments and requires the following:

- Section 22150 - "...purchase recycled products...whenever recycled products are available at the same or a lesser total cost than non-recycled items."
- Section 22151: "...the recycled product preference cost shall be applied...so as to maximize the dollar participation of firms offering recycled products in the contract award."
- Section 22152: "...require all business....to certify in writing the minimum, if not exact, percentage of postconsumer materials in the products, materials, goods, or supplies, offered or sold"
- Section 22153: "All printing contracts...shall provide that the paper used shall meet the recycled content requirements..." [i.e. 30% post-consumer recycled content]

The City has had an Environmental Procurement Policy (EPP) in place since it was approved by Council in 1991. In 1999, the policy was expanded in scope (Attachment B) which covers many of the requirements of SB 1106. However, a staff review of SB 1106 found that some changes in the City's EPP and other

City forms are necessary in order to conform with SB 1106. The necessary EPP changes are described below.

EXISTING POLICY

City of Sunnyvale Environmental Procurement Policy (EPP)

Adopted in 1991, the City's EPP states that the City will purchase "environmentally preferable products and services". In addition, "all paper products purchased, including but not limited to, janitorial products, copier paper, offset paper, forms bond, computer printout paper, carbonless paper, file folders, envelopes, uncoated printing and writing paper, and specialized printing papers shall contain no less than 30% postconsumer materials, by weight, beginning July 1, 1999."

Action Statements 3.2B.2d and 3.2B.4a of the Solid Waste Sub-element
"Increase demand for recycled materials by advocating local state and federal legislation that will increase use of recycled content products."

DISCUSSION

In order to address specific requirements of SB 1106, Chapter 3.5 "Recycled Product Procurement Mandates Pertaining to Local Governments", staff recommends that the City revise the "Policy Statement" section of the EPP as follows:

- Replace "The cost of the Environmentally Preferable Product is not cost prohibitive in the judgment of the Purchasing Officer." with "The cost of the Environmentally Preferable Product is no more than 10% higher than competing products/services." [Addresses Section 22150 and Section 22151]
- Add a fifth Purchasing Officer's duty to "Require all businesses to certify in writing the minimum, if not exact, percentage of post-consumer materials in the products, materials, goods, or supplies, being offered." [Addresses Section 22152]

In addition to the EPP revisions identified above, staff will conduct the following changes to applicable purchasing templates and the City's Print Request Form:

- Add text on purchasing/bid templates to request that the bidder indicate the percentage of post-consumer recycled content of any goods for which they are submitting a bid or that they are offering to the City. [Addresses Section 22152]
- Revise the City's Print Request Form (Attachment C). The current form provides an option to print on recycled paper. This is proposed to be changed to language to the effect of, "Per City policy, all printing will be

on paper with a minimum of 30% post-consumer recycled content. Indicate if you would like a higher post-consumer recycled content” *[Addresses Section 22153]*.

FISCAL IMPACT

There is no fiscal impact to the City for the revisions identified above.

CONCLUSION

SB 1106 requires local governments to meet particular requirements as they pertain to purchasing recycled products. Sunnyvale already meets most of the bill requirements as it already has an Environmental Procurement Policy (EPP) in place. The proposed update to the EPP, the City’s Print Request Form and purchasing documents will ensure the City of Sunnyvale’s full compliance with the requirements of SB 1106.

PUBLIC CONTACT

Notice has been provided through the publication and posting of the City Council agenda. In addition, all reports to Council are available in the Sunnyvale Library and on the City internet site.

ALTERNATIVES

1. Approve the update to the City of Sunnyvale’s Environmental Procurement Policy in order to comply with SB 1106.
2. Take no action.
3. Adopt actions as recommended by Council.

RECOMMENDATION

Staff recommends Alternative 1: Approve the update to the City of Sunnyvale's Environmental Procurement Policy in order to comply with SB 1106.

The proposed update to the city's Environmental Procurement Policy, the City's Print Request Form and purchasing documents will ensure the City of Sunnyvale's full compliance with the requirements of SB 1106.

Reviewed by:

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Approved by:

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City Manager

Attachments

- A. Senate Bill 1106
- B. City of Sunnyvale Environmental Procurement Policy
- C. City of Sunnyvale Print Request Form

SEC. 38. Section 12226 of the Public Contract Code is repealed.

SEC. 39. Chapter 3.5 (commencing with Section 22150) is added to Part 3 of Division 2 of the Public Contract Code, to read:

CHAPTER 3.5. RECYCLED PRODUCT PROCUREMENT MANDATES
PERTAINING TO LOCAL GOVERNMENTS

22150. (a) If fitness and quality are equal, each local public entity shall purchase recycled products, as defined in Section 12200, instead of nonrecycled products whenever recycled products are available at the same or a lesser total cost than nonrecycled items.

(b) A local public entity may give preference to suppliers of recycled products.

(c) A local public entity may define the amount of this preference.

22151. In bids in which the local government has reserved the right to make multiple awards, the recycled product preference cost shall be applied, to the extent possible, so as to maximize the dollar participation of firms offering recycled products in the contract award.

22152. (a) All local public entities shall require all business, as defined in Section 12200, to certify in writing the minimum, if not exact, percentage of postconsumer materials in the products, materials, goods, or supplies, offered or sold. All contract provisions impeding the consideration of recycled products shall be deleted in favor of performance standards.

(b) With respect to printer or duplication cartridges that comply with the requirements of subdivision (e) of Section 12156, the certification required by this subdivision shall specify that the cartridges so comply.

22153. All printing contracts made by any local public entity shall provide that the paper used shall meet the recycled content requirements of Section 12209.

22154. (a) All business shall certify in writing to the contracting officer, or his or her representative, the minimum, if not exact, percentage of postconsumer material in the products, materials, goods, or supplies being offered or sold to any local public entity.

(b) With respect to printer or duplication cartridges that comply with the requirements of subdivision (e) of Section 12156, the certification required by this subdivision shall specify that the cartridges so comply.

(c) A state agency may waive the certification requirement if the percentage of postconsumer material in the products, materials, goods, or supplies can be verified in a written advertisement, including, but not limited to, a product label, a catalog, or a manufacturer or vendor Internet Web site.

SEC. 40. Section 40183 of the Public Resources Code is amended to read:

40183. (a) "Rural city" means either of the following:

City of Sunnyvale
Environmental Procurement Policy
Adopted July 1999

Policy Purpose

The City of Sunnyvale finds that the preservation of natural resources, reduction of energy use and pollution, reduction of solid waste, and minimization of impact on the environment from City activities benefits all occupants of the City. It is the purpose of this policy to:

1. Help the City meet its current needs without compromising the ability of future generations to do the same.
2. Identify a simple, concise, environmentally sound, and cost-effective approach to environmental purchasing that all departments and divisions can easily implement.
3. Provide for the achievement of Action Statements 3.2B.2d and 3.2B.4a of the Solid Waste Sub-element which state, "Increase demand for recycled materials by advocating local state and federal legislation that will increase use of recycled content products."
4. Promote individual employee responsibility, provide Environmentally Preferable products and produce an operationally oriented, clearly written policy.

Policy Statement

It is the policy of the City of Sunnyvale, its employees and contractors, that when developing plans, drawings, work statements, and specifications, and in the evaluation of bids or proposals for the award of all contracts, for informal, formal, central, and decentralized purchases (including credit card, field purchase order, and petty cash purchases) environmentally preferable products and services shall be purchased, as defined by this section. Factors that will be considered when determining the environmentally preferable good or service include, but are not limited to:

- Minimization of virgin material use in product or service life cycle
- Maximization of recycled products used in product or service life cycle
- Environmental cost of entire product or service life cycle
- Reuse of existing products or materials in product or service life cycle
- Recyclability of product
- Toxicity reduction or elimination
- Elimination of uncertified hardwoods in product or service life cycle
- Ultimate disposal of product

All paper products purchased, including but not limited to, janitorial products, copier paper, offset paper, forms bond, computer printout paper, carbonless paper, file folders, envelopes, uncoated printing and writing paper, and specialized printing papers shall contain **no less than 30% postconsumer materials**, by weight, beginning July 1, 1999. The purchase of products that meet the standards above shall be allowed only if:

- The fitness and quality is equal to that of comparable non-environmentally preferable products.
- The product or service will do the job as well or better than the comparable non-environmentally preferable product or service and is compatible with City equipment.
- The cost of the Environmentally Preferable Product is not cost prohibitive in the judgment of the Purchasing Officer.
- Delivery or availability of the environmentally preferable product or service is comparable to that of the non-environmentally preferable alternative.

The Purchasing Officer shall, in cooperation with the Solid Waste Program Manager, develop administrative guidelines to implement this policy. The Purchasing Officer shall also:

- Ensure that purchasing documents, specifications, and contracting procedures do not discriminate against environmentally preferable goods and services.
- Establish standards for the purchase of environmentally preferable goods and services and raise or lower these standards to meet the objectives of this policy.
- Maintain a reference list of commonly purchased environmentally preferable products or services.
- Provide staff training in the purchase of environmentally preferable products and services.

Definitions:

Environmentally preferable means products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, and disposal of the product or service.

Life Cycle Cost means the amortized annual cost of a product, including capital costs, installation costs, operating costs, maintenance costs, and disposal costs discounted over the lifetime of the product.

Life Cycle Assessment means the comprehensive examination of a product's environmental and economic aspects and potential impacts throughout its lifetime, including raw material extraction, transportation, manufacturing, use and disposal.

Certified Hardwoods means hardwoods that have been certified by the Forest Stewardship Council as responsibly harvested. This certification process ensures the protection of endangered tropical hardwoods from over harvesting.

Postconsumer Material means a material or finished product that has served its intended use and has been discarded for disposal or recovery, having completed its life as a consumer item. "Postconsumer material" is a part of the broader category of "recovered material".

Recovered Materials means waste materials and by-products which have been recovered or diverted from solid waste, but this term does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process.

Recyclability means the ability of a product or material to be recovered from, or otherwise diverted from, the solid waste stream for the purpose of recycling.

Recycled Product means all materials, goods, and supplies, no less than 50 percent of the total weight of which consists of secondary and postconsumer waste with not less than 10 percent of its total weight consisting of postconsumer waste. These minimum percentages of secondary and postconsumer waste may change as industry availability changes.

Recycling means the series of activities, including collection, separation, and processing, by which products or other materials are recovered from the solid waste stream for use in the form of raw materials in the manufacture of new products, and includes the use of separated wood waste as fuel for producing heat or electrical power by combustion.

Virgin Material means any material occurring in its raw form. Virgin Material is used in the form of raw material in the manufacture of new products.

Waste Prevention means any change in the design, manufacturing, purchase or use of materials or products (including packaging) to reduce their volume or toxicity before they become municipal solid waste. Waste prevention also refers to the reuse of products or materials.

Waste Reduction means preventing or decreasing the amount of waste being generated through waste prevention, recycling, or purchasing recycled and environmentally preferable products.

CITY OF SUNNYVALE
PRINT SHOP REQUEST FORM

JOB #:

DEPT/DIV: _____
TASK #: _____
CONTACT: _____ EXT. _____TODAY'S DATE: _____
DATE REQUIRED: _____
☐ CALL FOR PICKUPJOB TITLE / FORM #: _____
OF ORIG. PGS: _____ QUANTITY NEEDED: _____FORM REV. DATE _____
☐ 1 SIDE ☐ 2 SIDE

PAPER STOCK: DESCRIBE TO THE BEST OF YOUR ABILITY _____ WEIGHT _____

☐ I HAVE PROVIDED SAMPLE☐ NCR: # OF PARTS _____PRINT ON RECYCLED PAPER? ☐ YES ☐ NO

IF YES, PLEASE INCLUDE "PRINTED ON RECYCLED PAPER" ON ARTWORK. PRINTSHOP DOES NOT PROVIDE TYPESETTING SERVICES.

PAPER SIZE: ☐ 8.5x11 ☐ 8.5x14 ☐ 11x17 ☐ OTHER _____ (MAX SIZE: 11x17)INK: ☐ BLACK ☐ OTHER _____ ☐ OTHER _____BINDERY: ☐ FOLD ☐ COLLATE ☐ PERFORATE☐ STAPLE: ☐ UPPER LEFT ☐ BOOK ☐ SADDLESTITCH☐ GBC COLOR _____ ☐ WIRE-O COLOR _____ (5-DAY)☐ PAD # PADS: _____ SHEETS PER PAD: _____☐ DRILL # HOLES _____ ☐ NUMBER: START # _____ END # _____

OTHER INSTRUCTIONS: _____

For Print Shop Use - ONLY☐ See Print Shop Forms File☐ Return Artwork☐ Press Check Requested

Special Instructions _____

Chargeback Analysis:

	Time	Cost
Prepress:	_____	_____
Press Time/Clean-Up:	_____	_____
Bindery (In-House):	_____	_____
Outside Bindery:	_____	_____
Vendor/Inv. # _____	_____	_____
Vendor/Inv. # _____	_____	_____
Additional Costs:		
1) _____	_____	_____
2) _____	_____	_____
3) _____	_____	_____
Impressions: _____	_____	_____
Press/Copy: _____	_____	_____
OV: _____	_____	_____
OB: _____	_____	_____
B: _____	_____	_____

Circle One: P C V B M
Qty

Cost

Plates: Metal _____

Paper _____

Outside Printing (Vendor/Inv): _____

Paper: a) _____

b) _____

c) _____

Run Size: _____

Subtotal: _____

Expediting Fee: _____

Total: _____

DATE RECEIVED: _____

DATE COMPLETED: _____